

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, MAY 21, 2008

4:00 P.M.

IN THE MARY BRENNAN BOARD ROOM

2000 POST ROAD

WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 4:00 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Kathleen Hittner, M.D; James C. Forte; Robert D. Sangster; Russell Hahn; Joseph Larisa (arrived at 4:10 p.m.)

BOARD MEMBERS ABSENT: Joseph Cianciolo; Michael Traficante.

ALSO PRESENT: Kevin A. Dillon, A.A.E., President and CEO, and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Hahn and seconded by Mr. Sangster to approve the minutes of the Board Meeting of April 16, 2008. The motion was passed unanimously.

2. Open Forum:

Dr. Hittner asked if anyone present wanted to speak in Open Forum. Mr. Richard Langseth, representing the Greenwich Bay Watershed Group, read a letter addressing his concerns with the crosswind runway at T. F. Green Airport. This letter has been entered into the official record of the meeting, and is attached hereto.

3. Report from Chair, Board of Directors:

Dr. Hittner reported that she had been approached by Ms. Sue Pillsbury, a member of the Rhode Island Pilot's Association, about the design of the Rhode Island Airport Corporation flag at the entrance to the airport. Dr. Hittner noted that she had passed the concerns on to the relevant staff who are working on replacing the flag.

4. Report from President and CEO:

Mr. Dillon thanked Mr. Langseth for his comments. Mr. Dillon restated his commitment to work with the City and the FAA to complete the EIS as quickly as possible.

Mr. Dillon reported that passenger numbers for the month of April 2008 were down 0.38% versus April 2007, and down 1.14% year to date. The focus on air service marketing continues with a trip to the Southwest Airlines corporate offices scheduled for June 2, 2008. Mr. Dillon noted that the Corporation is continuing dialogue with several airlines who are interested in starting service at T. F. Green, and he is looking at implementing an incentive program which will be used to encourage airlines to increase or start service at T. F. Green Airport.

Mr. Dillon reported that the staff is continuing the focus on the 2008 bond issue.

Mr. Dillon reported that he had recently accepted several FAA grants:

AIP No. 3-44-0003-84-008 (PVD – Voluntary Land Acquisition – Phase 8)

- This grant offer is for Phase 8 of the Voluntary Land Acquisition Program at T. F Green Airport. The total of FAA funds offered is \$5 million**
- RIAC's match in the amount of \$1,250,000 from the planned upcoming PFC application.**

AIP No. 3-44-0004-19-2008 (SFZ- Airport Master Plan Update)

- This grant offer is to perform an Airport Master Plan Update for**

North Central Airport.

- **The total of FAA funds offered is \$226,075**
- **RIAC's match in the amount of \$11,899 from the General Purpose Fund.**

AIP No. 3-44-0005-17-2008 (WST – Compatible Land Use Study)

- **This grant offer is to perform an Airport Layout Plan Update and Noise Study for Westerly Airport.**
- **The total of FAA funds offered is \$121,465**
- **RIAC's match in the amount of \$6,393 from the General Purpose Fund.**

AIP NO. 3-44-0003-83-2008 (PVD – Extend, Mark and Light Taxiway “M”)

- **This grant offer is to Extend, mark, Light and Sign Taxiway “M”**
- **The total of FAA funds offered is \$3,934,471.00**
- **RIAC's match in the amount of \$1,311,490.00 from Passenger Facility Charges.**

Mr. Dillon reported that the dedication of the Hope Reflection Room was held on April 22, 2008 and was well attended by members of the ecumenical community. Dr. Hittner spoke at the ceremony on behalf of the Board and Mayor Avedisian spoke on behalf of the City of Warwick. Bishop Gerilyn Wolf also spoke on behalf of the Episcopal Diocese of Rhode Island who donated the two pieces of artwork by Jacqueline Benjamin and Mimi Sammis which are on display in the

Hope Reflection Room.

Mr. Dillon reported that a Table Top Exercise was conducted on April 23, 2008 which was well attended by local, state and federal agencies.

Mr. Dillon reported that he continues to focus on meeting with members of the leadership noting that he had met with Senate Majority Leader Joseph Montalbano on April 23, 2008, and with Senate Minority Leader Dennis Algiere on April 24, 2008.

Mr. Dillon reported that he continues to meet with Mayor Avedisian on a monthly basis. On April 30th he also met with members of the Warwick Land Use Commission.

Mr. Dillon reported that he had met with Middletown residents on the evening of April 24, 2008, where RIAC made a presentation on the Newport Airport Vegetation Removal project.

Mr. Dillon reported that he is continuing to meet with the business community and has interviews lined up with Channel 10, Channel 12 and Channel 6. Mr. Dillon noted that he was also a guest speaker at the Women in Transportation Breakfast in East Greenwich on May 1, 2008, and at the monthly Rhode Island Pilot's Association Meeting on May 14, 2008. He also gave an interview to Mr. Bob Weiss, from the Travel New England Publication. Future speaking engagements include the Rhode Island Consulting Engineers on May 22, 2008.

Mr. Dillon gave an overview of his keynote speech to members of the business community at the Business Expo Luncheon on May 7, 2008. Mr. Dillon reported that he had received very positive feedback from attendees at the luncheon.

Mr. Dillon reported that he had recently testified before the House Finance Committee on two bills; 7344 – payment of \$5 million to the City of Warwick, and 7528 which would change the composition of the RIAC Board. Mr. Dillon stated that he had also attended a meeting of the Joint Committee on Economic Development.

Mr. Dillon reported that he is continuing his focus on community outreach. He met with members of the Newport CVB on May 2, 2008 and with the local tourism divisions and CVB reps on May 8, 2008.

Mr. Dillon reported that he is continuing to meet with the local airline station managers and airport tenants.

5. Legislative Report:

Ms. Goldstein gave an overview of legislation.

6. Operations and Capital Committee Report:

Mr. Forte reported that the Committee had met prior to the meeting

and that there were items on the consent agenda for approval by the Board.

A motion was made by Mr. Hahn and seconded by Mr. Forte to approve the following items on the consent agenda.

(a) Consideration of and Action Upon Approval of a Consultant Task Order for the Voluntary Land Acquisition Program (Phase 8) Project at T. F. Green Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) has entered into a Professional Services Agreement (PSA) with O R Colan Associates of FL, LLC. (O R Colan) to provide On-Call Land Acquisition and Relocation Services for Noise Mitigation and Avigation Easement Acquisition for obstruction removal services; and

WHEREAS, RIAC has negotiated a scope and fee with O R Colan to perform Acquisition and Relocation Services associated with the Voluntary Land Acquisition Program (Phase 8) at T. F. Green Airport in the amount of \$1,293,482; and

WHEREAS, this project is included in the proposed RIAC Fiscal Year 2009 Capital Improvement Program (CIP) budget in the amount of \$6,280,000; and

WHEREAS, this Task Order will be funded 80% (\$1,034,786) through

the Federal Aviation Administration (FAA) under AIP No. 3-44-0003-84-2008 with RIAC's 20% (\$258,696) matching share initially funded through the General Purpose Fund with reimbursement from the planned Passenger Facility Charges application.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a Task Order with O R Colan for the Voluntary Land Acquisition Program (Phase 8) at T. F. Green Airport in the amount of \$1,293,482, subject to receipt of a federal grant offer.

(b) Consideration of and Action Upon Approval of a Construction Contract for the Extend, Mark, Light and Sign Taxiway M Project at T. F. Green Airport AND Consideration of and Action Upon Approval of a Consultant Task Order Amendment for Construction Administration Services Associated with the Extend, Mark, Light and Sign Taxiway M Project at T. F. Green Airport.

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) procurement rules for the Extend, Mark, Light and Sign Taxiway M Project at T. F. Green Airport and three bids were received; and

WHEREAS, the firm of HNTB Corporation (HNTB), serving as RIAC's design consultant for this project, determined that Cardi Corporation

(Cardi) submitted the lowest responsive bid in the amount of \$4,591,501; and

WHEREAS, HNTB recommends that Cardi be awarded the Construction Contract for this project and RIAC staff agrees; and

WHEREAS, the project is included in the proposed Fiscal Year 2009 Capital Improvement Program (CIP) budget in the amount of \$5,705,111; and

WHEREAS, this contract will be funded 75% (\$3,443,626) through the Federal Aviation Administration (FAA) under AIP No. 3-44-0003-83-2008 with the 25% (\$1,147,875) matching share through the planned Passenger Facility Charges application.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board hereby authorizes the President and CEO, or his designee, to execute a Construction Contract with Cardi for the Extend, Mark, Light and Sign Taxiway M Project at T. F. Green Airport in the amount of \$4,591,501, subject to receipt of a federal grant offer.

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Task Order with HNTB Corporation (HNTB) to provide design and bid phase services associated with the Extend, Mark, Light and Sign Taxiway M Project at T. F. Green Airport; and

WHEREAS, RIAC has negotiated a Scope and Fee Proposal with HNTB to provide construction administration services in the amount of \$259,288; and

WHEREAS, the project is included in the proposed Fiscal Year 2009 Capital Improvement Program (CIP) budget in the amount of \$5,705,111; and

WHEREAS, this Task Order amendment will be funded 75% (\$194,466) through the Federal Aviation Administration (FAA) as part of the Airport Improvement Program (AIP) under AIP No. 3-44-0003-83-2008 with the 25% (\$64,822) matching share funded through the planned Passenger Facility Charges application.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a Task Order amendment with HNTB Corporation to provide Construction Administration Services for the Extend, Mark, Light and Sign Taxiway M Project at T. F. Green Airport in an amount not-to-exceed \$259,288, subject to receipt of a federal grant offer.

(c) Consideration of and Action Upon Approval of a Consultant Task Order for the Airport Master Plan Update for North Central Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) has entered

into a Professional Services Agreement (PSA) with The Louis Berger Group (LBG) to provide On-Call Planning Services; and

WHEREAS, RIAC staff has negotiated a scope and fee with LBG to provide planning services associated with the Airport Master Plan Update for North Central Airport in the amount of \$219,974; and

WHEREAS, this project is included in the proposed RIAC Fiscal Year 2009 Capital Improvement Program (CIP) budget in the amount of \$259,971; and

WHEREAS, this Task Order will be funded 95% (\$208,975) through the Federal Aviation Administration (FAA) under AIP No. 3-44-0004-19-2008 with RIAC's 5% (\$10,999) matching share funded through the General Purpose Fund.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorizes the President and CEO, or his designee, to execute a Task Order with LBG to perform planning services for the Airport Master Plan Update for North Central Airport in the amount of \$219,974, subject to Board approval and receipt of a federal grant offer.

(d) Consideration of and Action Upon Approval of a Consultant Task Order for the Environmental Assessment and Drainage Evaluation

Study for Newport Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) has entered into a Professional Services Agreement (PSA) with The Louis Berger Group (LBG) to provide On-Call Planning Services; and

WHEREAS, RIAC staff has negotiated a scope and fee with LBG to provide planning services associated with the Environmental Assessment and Drainage Evaluation Study for Newport Airport in the amount of \$179,922; and

WHEREAS, this project is included in the proposed RIAC Fiscal Year 2009 Capital Improvement Program (CIP) budget in the amount of \$209,914; and

WHEREAS, this Task Order will be funded 95% (\$170,926) through the Federal Aviation Administration (FAA) under AIP No. 3-44-0002-16-2008 with RIAC's 5% (\$8,996) matching share funded through the General Purpose Fund.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a Task Order with LBG to perform planning services for the Environmental Assessment and Drainage Evaluation Study for Newport Airport in the amount of \$179,922, subject to receipt of a

federal grant offer.

(e) Consideration of and Action Upon Approval of a Consultant Task Order the Airport Layout Plan Update/Noise Study for Westerly Airport.

WHEREAS, the Rhode Island Airport Corporation (RIAC) has entered into a Professional Services Agreement (PSA) with Vanasse, Hangen, Brustlin, Inc. (VHB) to provide on-call planning services; and

WHEREAS, RIAC staff has negotiated a scope and fee with VHB to provide planning services associated with the Airport Layout Plan and Noise Study in the amount of \$126,858; and

WHEREAS, this project is included in the proposed RIAC Fiscal Year 2009 Capital Improvement Program (CIP) budget in the amount of \$142,744; and

WHEREAS, this Task Order will be funded 95% (\$120,515) through the Federal Aviation Administration (FAA) under AIP No. 3-44-0005-17-2008 with RIAC's 5% (\$6,343) matching share funded through the General Purpose Fund.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to

execute a Task Order with VHB to perform planning services for the ALP Update and Noise Study at Westerly Airport in the amount of \$126,858, subject to receipt of a federal grant offer.

7. Finance and Audit Committee Report.

There was no formal report.

7.1 Discussion Item:

(a) Discussion of Airline Incentive Program.

Mr. Dillon gave an overview of a proposed incentive program which would be implemented to assist existing or new carriers. Mr. Dillon's presentation focused on the structure of the program and logistics involved in implementation.

7.2 Action Items:

(a) Consideration of and Action Upon 2008 Airport Project and Revenue Bond Issue.

Mr. Schattle gave a brief overview of the 2008 Airport Project and Revenue Bond Issue.

A motion was made by Mr. Sangster and seconded by Mr. Forte to

approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) is a public corporation, governmental agency and instrumentality of the State of Rhode Island and Providence Plantations (State) organized and existing under Chapter 64 of Title 42 of the Rhode Island General Laws, as amended (Act) as a subsidiary public corporation of the Rhode Island Economic Development Corporation (EDC); and

WHEREAS, RIAC has the power pursuant to Section 42-64-2(g) and Section 42-65-5 of the Act” ... to furnish proper and adequate airport facilities within the State ...;” and

WHEREAS, RIAC is undertaking the 2008 Airport Bonds Project, consisting principally of improvements to Airport facilities and refunding of a portion of the EDC’s 2003 Series A Bonds to combine the Debt Service Reserve Accounts for the 2008 Bonds (as hereinafter defined) and the EDC’s 2003 Series A Bonds (2008 Airport Bonds Project) and refunding all or a portion of the 1998 Series B Bonds (Refunding); and

WHEREAS, RIAC intends to finance the 2008 Airport Bonds Project by requesting the EDC to issue up to \$45,000,000 Airport Revenue Bonds (2008 Series) and the refunding by requesting the EDC to issue Airport Revenue Bonds in an amount necessary to refund all or a portion of the 1998 Series B Bonds (2008 Bonds) and pursuant to

the Master Indenture of Trust among the EDC, RIAC and U.S. Bank National Association, as Trustee (Trustee) (Master Indenture), an Eighth Supplemental Trust Indenture among RIAC, the EDC and the Trustee (Eighth Supplemental Indenture) and a Loan Agreement between RIAC and the EDC (2008 Loan Agreement), pursuant to which the EDC will loan the proceeds of the sale of the 2008 Bonds to RIAC for a portion of the 2008 Airport Bonds Project and the Refunding; and

WHEREAS, the EDC and RIAC have previously selected Citigroup, as underwriter for the issuance of the 2008 Bonds (Underwriter); and

WHEREAS, the underwriter working with its counsel and other representatives of RIAC, the EDC and the State, have prepared a draft of the Preliminary Official Statement (POS) for use in connection with the sale of the 2008 Bonds, which document contains information relating to the 2008 Airport Bonds Project and the Refunding and RIAC and which the EDC has requested be approved and authorized by RIAC; and

WHEREAS, there have been prepared and submitted to this meeting of the Board of Directors (Board) drafts of the POS, the Report of the Airport Consultant relating to the Airport Project prepared by Ricondo & Associates, Inc., the Eighth Supplemental Indenture, and the 2008 Loan Agreement between RIAC and the EDC, and the Board has determined that such documents appear to be in appropriate form

and contain terms satisfactory to the Board; and

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. RIAC hereby approves the 2008 Airport Bonds Project and hereby requests the EDC to issue up to \$45,000,000 Airport Revenue Bonds to finance the 2008 Airport Bonds Project and to issue Airport Revenue Refunding Bonds in an amount necessary to finance the Refunding.

2. RIAC hereby approves and authorizes the use by the EDC, in connection with the sale and distribution of the 2008 Bonds, of the POS, including the Financial Feasibility Study attached as an Exhibit thereto, in substantially the form presented to this meeting, and authorizes the President/CEO or any officer of RIAC to execute the POS on behalf of RIAC; and RIAC further authorizes the use by the EDC, in connection with the sale of the 2008 Bonds, of a final Official Statement, substantially in the form of the POS, with such changes therein as may be approved by the President/CEO, the Chairperson, the Vice Chairperson or the Treasurer of RIAC, acting singly.

3. The form, terms and provisions of the Eighth Supplemental Indenture and the 2008 Loan Agreement are hereby approved, and the President/CEO or the officers of RIAC, signing singly, are hereby authorized and directed to execute, acknowledge and deliver the Eighth Supplemental Indenture and the 2008 Loan Agreement in

substantially the forms presented to the meeting, and following execution thereof, the directors, officers, agents and employees of RIAC are hereby authorized and directed to take all such other action, and to execute and deliver all such other documents, as may be necessary or appropriate to carry out and comply with the terms and provisions of such documents.

4. The President/CEO or the Chairperson of RIAC, acting singly or in their absence, the Treasurer, of RIAC, is hereby authorized to approve the sale price of and interest rate for the 2008 Bonds, provided that the interest rate for the Refunding Bonds will be adequate to produce a present value savings of approximately three percent (3%) of the principal amount of the 1998 Series B Bonds being refunded and a net benefit with respect to the refunding of the 2003 Series A Bonds.

5. RIAC is authorized to and may enter into an agreement with a municipal bond insurer to obtain municipal bond insurance for the 2008 Bonds, and the President/CEO or any of the officers of RIAC, acting singly is hereby authorized and directed to execute and deliver an agreement with such bond insurer to provide such insurance.

6. The officers of RIAC are hereby authorized and directed to execute and deliver all such other documents, including but not limited to a Bond Purchase Contract and a Continuing Disclosure Agreement, and to take all such other action, as may be necessary or appropriate in order to give effect to this resolution.

The motion was passed unanimously.

(b) Consideration of and Action Upon the Fiscal Year 2009 Budget.

Mr. Dillon gave an overview of the Fiscal Year 2009 Budget. Discussion focused on revenues and expenses, including the strategy to reduce RIAC's airline rate structure and ways to increase other revenue sources such as parking and concessions.

A motion was made by Mr. Sangster and seconded by Mr. Hahn to approve the Fiscal Year 2009 budget in substantially the form presented to the Board. The motion was passed unanimously.

8. Executive Session:

(a) Potential Litigation (EIS and Two Non-Public Matters) and Pending Litigation (RIPDES) – R.I.G.L. § 42-46-5(a)(2).

(b) Investment of Public Funds Where Premature Disclosure Would Be Detrimental to the Public Interest (Intermodal Contract Negotiations and Air Service Development) – R.I.G.L. § 42-46-5(a)(7).

(c) Security - R.I.G.L. § 42-46-5(a)(3).

At approximately 4:38 p.m., a motion was made by Mr. Forte and

seconded by Mr. Larisa to go into Executive Session. By the following vote the motion was passed unanimously.

YEAS: Kathleen Hittner, M.D.

James Forte

Robert D. Sangster

Russell Hahn

Joseph Larisa

NAYS: None

ABSTAIN: None

9. Reconvene to Open Session and Announcements:

At approximately 6:30 p.m., a motion was made by Mr. Hahn and seconded by Mr. Sangster to reconvene to the Open Session. The motion was passed unanimously.

It was noted for the record that Mr. Forte had left the Board Meeting at 6:10 p.m.

A motion was made by Mr. Hahn and seconded by Mr. Sangster to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following vote the motion was passed unanimously:

YEAS: Kathleen Hittner, M.D.

Robert D. Sangster

Michael Traficante

Russell Hahn

NAYS: None

ABSTAIN: None

10. Future Meetings:

The next meeting will be held on Wednesday, June 18, 2008, at 4:00 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island.

11. Adjournment:

Mr. Sangster moved to adjourn the meeting at 6:31 p.m. Mr. Hahn seconded the motion. The motion was passed unanimously. Respectfully submitted,

Kathleen C. Hittner, M.D. Chair

Rhode Island Airport Corporation

ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS MEETING

MAY 21, 2008

NAME AFFILIATION

Peter Frazier RIAC

Brian Schattle RIAC

Ann Clarke RIAC

Doug Dansereau RIAC

Patti Goldstein RIAC

Alan Andrade RIAC

Robert Goff The Parking Company

Richard Langseth Greenwich Bay Watershed Association

Meredith Holderbaum Senate Fiscal Office

Don Pillsbury RIPA

Sue Pillsbury RIPA

Val Mendonca HNTB